

## BOOK REVIEW

**Cross-Sectoral Policy Impacts of Forests**, by Ilpo Tikkannen, Peter Glück and Heikki Pajuoka eds, EFI Proceedings No. 46, 2002, European Forest Institute, Joensuu, Finland, 208 pp.

This collection of edited papers selected from those presented at an international conference of the same title held in Savonlinna, Finland in April 2002, is another of the highly useful research publications of the European Forest Institute (EFI) based in Joensuu in Finland. It contains 18 separately authored papers, mainly by authors from the European Community, but also with FAO and World Bank contributions. The premise of the volume is that forestry is not an 'isolated island in the ocean' but rather is an integral part of the economy, society and environment. Clearly, the progress of forest industries is related to that of other sectors of the economy, including agriculture, tourism, mining and water supply. Also, the interrelationship between forest policy and policies relating to environment, labour force and welfare of economically depressed areas, is an important area of study.

The major focus is on national forestry programs (NFPs) as a mechanism to achieve sustainable forest management. NFPs have received considerable attention in Europe in about the last five years, and the conference provided a timely forum to report experiences in various countries. Considerable attention is also paid to institutional frameworks for integration of forest administration with other sectors of national economies. While much of the material relates to industrial forestry, farm and community forestry are also addressed.

As noted in the Foreword, NFPs provide a strategic framework to facilitate cross-sectoral approaches and policy coordination through participation and partnership arrangements. Major challenges in their implementation include that inter-institutional arrangements to support sustainable forest management may be ineffective, and that research findings on cross-sectoral policy impacts and inter-sectoral linkages may be non-existent. 'A few empirical analyses available are mainly related to issues of deforestation and poverty. In addition, some econometric models have been specified to include policy variables from sectors external to forests' (Foreword, p. 5).

The opening paper by Oistad and Tromborg examines challenges in the development and implementation of the Norwegian NFP. The program is said to provide 'a holistic approach to implement the outcome of international forest-related initiatives and conventions and gives an opportunity to address inter-sectoral impacts, raise awareness, formalise involvement of different parts of government and interest groups, build capacity and create an opportunity to focus on issues that tend to fall between different national authorities' (p. 7). It is noted that NFPs are likely to have only informal status in national legal frameworks, and that the political 'space' for programs of a long-term nature may be limited.

Shannon and Schmidt review theoretical approaches to understanding inter-sectoral policy integration, and in particular social systems theory, advocacy

coalition theory and communicative action theory. They conclude that each of these theoretical viewpoints contributes to an understanding of the possibilities, potentials and mechanisms of cross-sectoral policy integration.

Ljungman observes that World Bank interventions in other sectors have had more positive and negative effects on forests than its interventions in the forestry sector itself. It is argued that communication gaps are a major cause of sectoral linkage problems, and that sharing of transparent, neutral and pertinent information and knowledge is fundamental to addressing cross-sectoral linkage problems. Mersmann discusses the Comprehensive Development Framework of the World Bank, which is designed to address inter-sectoral and cross-sectoral linkages while emphasising social development, in the context of sustainable forestry in developing countries.

Reunala reviews the Finnish National Forest Program 2010 initiated in 2000 and is designed to balance economic, ecological and social demands through an open and participatory process. Finland has huge forest industries, with annual roundwood removals of about 50 M m<sup>3</sup> a year, and has three global forestry companies among the largest companies in Europe. NFP 2010 uses the concept of a 'forest cluster' to describe the network of industries around forestry including 'pulp and paper machinery, chemical industries, automation and information technology, energy production, forest machines, forestry and forest industry consulting, research and education, wood construction, packaging, printing and publishing' (p. 41).

Robert Flies discusses the common EU strategy encompassing the forest programs of member states, and a number of forest related actions at EU level. 'There is an increasingly complex array of legislation and support measures out of several Community policies that directly or indirectly address sustainable forest development and sustainable forest resources utilisation in the Union. This refers in particular to ... land-use policies, regional development and environmental protection' (p. 47). Community policy has moved towards integrated rural development, and attention is being paid to forestry as an essential multi-purpose landuse and significant employment sector with considerable indirect economic benefits.

Mayer discusses the Pan-European approach to NFPs from the perspective of the Ministerial Conference on the Protection of Forests in Europe (MCPFE). The General Declaration of the Third Ministerial Conference of the MCPFE in Lisbon in 1998 endorsed NFPs as an important tool for sustainable forest management, drawing on various international fora on forestry (IPF/IFF and UNFF). Püchl provides further detail on the IPF/IFF proposals for action in the EU and in Austria, noting that there remains a rift between the national or supranational priorities and the global requirements, which limits NFPs as a basis for international cooperation and for channeling money to the forest sector in developing countries. In another Austrian paper, Hogl reflects on inter-sectoral coordination of NFPs, viewing this as both a process and a status.

Verbij and Schanz from The Netherlands review the state of the art and future of inter-sectoral coordination in development of national forest strategies, noting that empirical research and policy formulation has not gone beyond the level of describing inter-sectoral relations. They argue that an actor-oriented approach with delineation of sectors based on actors' own perspectives will lead to a better understanding of intersectoral coordination.

Carvalho and Coelho review the legal and policy framework of the NFP in Portugal. Institutional complexity and fixity of traditional policy processes are seen as barriers to a new participatory approach. Similarly, Dominguez and Plana examine the requirements for better inter-sectoral collaboration within a participatory process in Catalonia in Spain. Mendes identifies the externalities and public goods arising from sustainable forest management, and assesses nine types of economic instruments to pursue SFM. These include property rights measures, demand pull instruments (particularly certification), market creation (for public goods), fiscal instruments (charges and taxes), financial instruments (including loans, subsidies and grants), liability systems, environmental performance bonds, and public provision of supporting services. A second paper by Mendes identifies factors which support and impede NFPs. Papageorgiou and Vakrou review the financial incentives which have been provided in state and private forestry in Greece during the 1990s and their influence on the formulation and implementation of the Greek NFP. They note that most of the afforestation practices in Greece have been EU grant driven, and financial incentives are vital to coherent planning and implementation of forest policies.

Berge and Saastomoinen review theories of institutions relevant to development of NFPs, with particular reference to the institutional frameworks prevailing in Norway and Finland. They put forward the proposition that, while there may not exist an adequate body of theory to purposefully design institutions, in some circumstances it is possible to predict the most likely path of development for new institutional elements introduced to a society. Hänninen and Ollonqvist evaluate the institutional aspects that have supported and impeded preparation of the Finnish NFP. They note that the corporatist tradition of forest policy planning, strong organisation by key stakeholders and inadequate conflict resolution procedures have hindered consensus, especially on ecological issues.

The final paper presents an interesting review of institutional aspects of the forest program established in 1999, in Baden-Württemberg, a state in Germany with 1.4M ha of forests, 37% of which is owned by private growers and 89% of which is in holdings of less than 200ha. Forest management is considered to be of public interest, with increasing demands being made on forests for recreation and nature conservation. The forest program is characterised as an ‘experiment in comprehensive participation’ (p. 195) of the many stakeholder groups within the state, and also as an ‘important building stone towards the subnational implementation of international commitments like the Convention on Biological Diversity, the Framework Convention on Climate Change or the Proposals for Action on the UN Intergovernmental Panel on Forests’ (p. 193). The question is raised whether environmentally active NGOs, which seek legitimacy by fostering opposing viewpoints, will be able to agree to consensus solutions.

It is clear that national forest policies are in an early stage of evolution, and that much further research is needed on cross-sectoral impacts. A reader may have expected to see some quantitative analyses such as applications of inter-industry input-output analysis, general equilibrium modeling and econometric modelling, but in fairness it must be mentioned that the papers take a policy and not analysis focus. A summary paper by the editors drawing out the key findings would have been a useful addition.

This volume succeeds in raising awareness of cross-sectoral policy impacts in relation to forestry and institutional frameworks and of European experiences in recognising these impacts and considering them in planning. It is highly recommended reading for those concerned with forest policy and planning at a national, state or regional level. It highlights experiences on the role of institutions and broad participation by stakeholders in the formulation and implementation of forest policy, as well as drawing attention to pitfalls in terms of undue influence of particular stakeholder groups and lack of commitment of government to long-term planning. The major contribution is perhaps the wealth of examples from which these lessons are drawn.

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